

**STATE OF CALIFORNIA
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

DELEGATION RESOLUTION

Subject: Chief Executive Officer

Delegation No.: EXEC-XX-XX

Pursuant to Government Code Section 20099, the California Public Employees' Retirement System¹ (CalPERS) Board of Administration (the "Board") delegates to the Chief Executive Officer (CEO) the authority to act finally with respect to any and all matters outlined below:

General

1. Conduct and oversee the administration of all units and functions within CalPERS and the operation of CalPERS headquarters' facility.
2. Conduct the successful implementation of the Board's policies, programs, strategic plan, and enterprise business plan objectives and initiatives within the resources and fiscal limits set by the Board.
3. Oversee that all actuarial, audit, investment, and legal functions are performed with independence and in conformance with professional standards.
4. Oversee that there are sufficient information technology, facilities, and equipment to support CalPERS business and operational needs, operating within the resources and fiscal limits set by the Board.
5. Approve building, tenant, and owner improvements that were not anticipated during the annual or mid-year adjustment Building Account budget process and are deemed necessary by the CEO.
6. Except where the Board has required the CEO to act personally, re-delegate, as appropriate in the CEO's judgment, any authority delegated to the CEO under this delegation. To the extent the CEO has delegated authority to act finally, such final authority may be further delegated to staff.

¹ The "System" consists of the Public Employees' Retirement System, the Legislators' Retirement System, the Judges' Retirement System, the Judges' Retirement System II, the Public Employees' Long-term Care Act, the Public Employees' Deferred Compensation Program, the Replacement Benefit Plan, the Old Age and Survivors' Insurance Program, the Public Employees' Medical and Hospital Care Act, the Annuitants' Health Care Coverage Fund, the State Peace Officers' and Firefighters' Defined Contribution Plan, and the Supplemental Contributions Program.

7. Report to the Board, on at least a monthly basis, all significant action the CEO has taken under this delegation of authority.

Staff Resources and Organizational Structure

8. Set the internal organizational structure of CalPERS staff, in a manner that is consistent with this delegation of authority and applicable Board policy.
9. Approve all personnel decisions, including hiring, disciplining, and terminating, for all employees listed in Government Code section 20098 and those in Career Executive Assignments. The Board retains the authority for ~~all personnel decisions hiring, performance evaluation (including incentive compensation), and terminating~~ for the Chief Investment Officer (CIO), with input from the CEO, and retains veto authority ~~on the over~~ CEO decisions for hiring, performance evaluation (including incentive compensation), and terminating the Chief Financial Officer, Chief Actuary, and General Counsel. In addition, the CEO shall have the authority and responsibility for administrative supervision of the CIO.
10. ~~Determine the compensation structure and approve the annual incentive plans for the~~ Set the compensation of employees listed in Government Code section 20098 and those in Career Executive Assignments consistent with the Board's established compensation policies and procedures. The Board retains the authority for setting the compensation structure and approving the annual incentive plans for the CEO and CIO.
11. Approve all personnel decisions concerning all other CalPERS staff.

Additional Specific Authority

12. Consistent with the procurement policies adopted by the Board, approve the procurement of services from all contractors, vendors, consultants, and advisors other than the following:
 - The Board's independent auditor;
 - The Board's independent actuary;
 - The Board's outside fiduciary counsel;
 - Executive search firm(s), when the search is for positions for which the Board has retained a primary role in selection;
 - The Board's executive compensation consultant(s);

- The Board's federal representative;
- The Board's investment consultants;
- The Board's Long-Term Care Administrator;
- Providers of health benefit plans; and
- Providers of administrative services related to the Board's self-funded health plans (including without limitation network administration, medical policy development, utilization management, and pharmacy benefit management).

13. Approve actuarial valuations and employer rates for public agencies consistent with actuarial policies, methods, and assumptions set by the Board.

14. Approve and oversee public agency contracts and contract amendments in a manner that is consistent with applicable law and Board policy.

~~13.~~ 15. The Board retains the authority to approve the initiation and settlement of litigation involving material sums or having a substantial impact on the strategic goals or program operations of CalPERS. Except as so reserved to the Board, the CEO is delegated the authority to approve the initiation and settlement of litigation, including administrative appeals and adjudicatory matters.

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~~14.~~ 16. The CEO shall delegate to the CIO the authority to:

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- Conduct the negotiation and execution of investment transactions approved by the Board, or within those discretionary areas delegated from the Board to staff; and
- Approve the procurement of services from investment partners, managers, and consultants, consistent with the procurement policies adopted by the Board; and,
- Set the compensation for Investment Office employees, with the exception of the CIO, listed in Government Code section 20098 and those in Career Executive Assignments consistent with the Board's established compensation policies and procedures, and subject to final approval by the CEO.

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17. Represent the System and communicate the Board's policies and positions before outside parties and organizations (including without limitation

the media, other governmental entities and officials, employer and employee organizations, and contractors).

Emergency Situations

18. In emergency situations, the CEO shall have the authority to act on matters not expressly within this delegation, provided:

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- The action is, in the CEO's judgment, necessary to protect the System, its employees, the Fund, or System assets, from loss or harm that is reasonably likely to occur if action is delayed for the scheduling of a noticed meeting of the Board or its committees; and
- The CEO promptly reports to the Board the emergency action taken, and the reasons why the CEO determined action was immediately necessary.

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I hereby certify that on the XX day of _____, the Board of Administration of the California Public Employees' Retirement System, made and adopted the foregoing Resolution.

ROB FECKNER, PRESIDENT
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

I understand and accept this delegation

Dated: _____

ANNE STAUSBOLL, CHIEF EXECUTIVE OFFICER
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM